

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

IN THE MARION CIRCUIT COURT

AVC NO. _____ 01-036 _____

IN RE: SILVERLEAF RESORTS, INC.)

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)

Respondent.

FILED

JUN 04 2001

Jack M. Taylor
CLERK OF THE
MARION CIRCUIT COURT

ASSURANCE OF VOLUNTARY COMPLIANCE

The State of Indiana, by Attorney General Steve Carter and Deputy Attorney General Roy P. Coffey, and the Respondent, Silverleaf Resorts, Inc., enter into an Assurance of voluntary Compliance (Assurance), pursuant to Indiana Code § 24-5-0.5-7.

Any violation of the terms of this Assurance constitutes prima facie evidence of a deceptive act. This Assurance is entered into without any adjudication of any issue of fact or law, and upon consent of the parties.

The parties agree:

1. Respondent is a foreign corporation engaged in the business of marketing and selling vacation intervals with a principal place of business at 1221 River Bend Drive, Suite 120, Dallas, Texas, 75247. In the ordinary course of business, Respondent solicits Indiana consumers through the use of direct mail prize promotions.

2. The terms of this Assurance apply to and are binding upon Respondent, its employees, agents, representatives, successors, and assigns.

3. Respondent acknowledges the jurisdiction of the Consumer Protection Division of the Office of the Attorney General to investigate matters hereinafter described, pursuant to the authority of Ind. Code § 4-6-9-4 and Ind. Code § 24-5-0.5-1 et seq.

7. The statement of the odds and verifiable retail value must appear in immediate proximity to each listing of the prize in each place the prize appears.

(a) Pursuant to Ind. Code 24-8-3-7, if the consumer is required to purchase additional goods or services in order to obtain the offered prize, such requirement and cost will be clearly disclosed on the first page of the notice. Said disclosures will be in at least 10 point, boldface type and will be made by using the following appropriately completed statement: "You must pay \$_____ in order to receive this item."

(i) If the promotion contains more than one page, the "first page of the notice" means the page that introduces the promotion to the recipient and solicits the recipient's participation.

(ii) This disclosure shall be made in a clear and conspicuous manner, in a typeface that is distinctly different from the general text of the notice. This typeface must be clearly readable and shall be no smaller than 10 point, boldface, and in any event shall be no smaller than the general text of the notice.

(b) Pursuant to Ind. Code 24-8-3-6, if the consumer is required or invited to attend a sales presentation in order to claim any prize that has been or may have been awarded, the requirement or invitation will be disclosed to that person in the notice in at least 10 point, boldface type on the first page of the notice.

(i) If the promotion contains more than one page, the "first page of the notice" means the page that introduces the promotion to the recipient and solicits the recipient's participation.

(ii) This disclosure shall be made in a clear and conspicuous manner, in a typeface that is distinctly different from the general text of the notice. This typeface must be clearly

readable and shall be no smaller than 10 point boldface, and in any event shall be no smaller than the general text of the notice.

8. Respondent, in soliciting and/or contracting with consumer, agrees to refrain from conducting any business activity in the State of Indiana unless those activities are in full compliance with the Promotional Gifts and Contests Act, Ind. Code 24-8-1-6.

9. Respondent, in soliciting and/or contracting with consumers, agrees to fully comply with the Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-1 et seq.

10. Upon execution of this Assurance, Respondent shall pay costs in the amount of Five Hundred and 00/100 Dollars (\$500.00) to the Office of the Attorney General.

11. Respondent shall not represent that the Office of the Attorney General approves or endorses Respondent's past or future business practices, or that execution of this Assurance constitutes such approval or endorsement.

12. Respondent shall fully cooperate with the Office of the Attorney General in the resolution of any future written complaints the Consumer Protection Division receives.

13. The Office of the Attorney General shall file this Assurance with the Circuit Court of Marion County. The Court's approval of this Assurance shall not act as a bar to any private right of action.

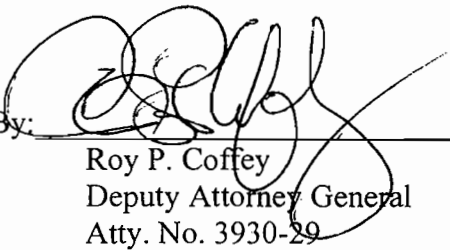
DATED this 9th day of May, 2001.

STATE OF INDIANA

RESPONDENT

STEVE CARTER
Attorney General of Indiana

SILVERLEAF RESORTS, INC.

By: 
Roy P. Coffey
Deputy Attorney General
Atty. No. 3930-29

By: 
Name: Larry Fritz
Title: Vice President / Marketing

Office of Attorney General
402 W. Washington, 5th Floor
Indianapolis, Indiana 46204
Telephone: (317) 232-6229

APPROVED this _____ day of _____, 2001.

JUN 04 2001



Judge, Marion Circuit Court

JUDGE PRO TEMPORE